

MaineHealth

**Testimony of Katie Fullam Harris
MaineHealth
In Opposition to LDs 1143 and 1191**

**“An Act to Address Late Medical Billing by Limiting Hospital Billing to One Year” &
“An Act Regarding Transparency of Medical Billing”**

April 24, 2023

Senator Bailey, Representative Perry and Members of the Joint Standing Committee on Health Coverage Insurance and Financial Services, I am Katie Fullam Harris of MaineHealth, and I am here to testify in opposition to LDs 1191 and 1143. These bills contain a similar provision, so I am combining my testimony for efficiency's sake.

LDs 1191 and 1143 contain provisions that limit a hospital's ability to bill a patient for a service to one year from the date the service was rendered. And while that may seem reasonable on its face, the complexities of medical billing create significant challenges.

Hospitals first bill third-party payers for services rendered to their beneficiaries. Timely filing requirements are included in our contracts, and we adhere to them carefully. When disputes arise, they are nearly always due to underpayment or denial by the insurer; we are trying to protect the patient from bearing undue financial responsibility. Those claims can take months to resolve. Hospitals are contractually prohibited from billing patients until all matters are resolved with the third party payers. Should this bill pass, we would be forced to bill patients before the parties have determined their legal financial obligation.

One recent example was an inpatient stay that occurred between late June and early July of 2021. The patient was an urgent admission from another hospital. We submitted the claim on July 23. The payor incorrectly denied the claim as being out of network on September 14, leaving the entire balance (\$61,643 dollars) to the patient. Rather than billing the patient, we continued to dispute the claim. It continued to be incorrectly denied with no payment for more than a year. We continued to work with the payer to get the claim correctly processed, and it was finally processed correctly in February of 2022, with no balance to the patient. Had this bill been law, we would have to have billed the patient for the entire \$61,600. The policyholders are the ultimate guarantors of payment, which would create an obligation on the patient instead of the carrier.

Thank you, and I would be happy to answer questions.